

# **EXHIBIT A**

**EXHIBIT A****UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS  
CENTRAL DIVISION**

	CIVIL ACTION NO. 04-40092-FDS
LOUIS P. ALBERGHINI,	)
	)
Plaintiff,	)
	)
v.	)
	)
SIMONDS INDUSTRIES INC.,	)
	)
Defendant.	)
	)

**AFFIDAVIT OF ILDA M. THIBODEAU**

I, Ilda M. Thibodeau, do hereby depose and state as follows:

1. My name is Ilda M. Thibodeau. All statements contained in this affidavit are made of my own personal knowledge or have been verified by reviewing the relevant business and personnel records of Defendant Simonds Industries Inc. ("Simonds" or "the Company"). As to those facts stated on information and belief, I believe them to be true.

2. I am the Director of Human Resources for Simonds, and I have held that position since September 2001. I have been employed with Simonds or its predecessors since May 1983, and I have worked in the Human Resources Department during that entire time. As part of my duties and responsibilities as Director of Human Resources, I am the custodian of the personnel records of all current and former employees of the Company, including Plaintiff Louis Alberghini.

3. Simonds and its predecessors have been manufacturing cutting tools since 1832. The Company manufactures a wide assortment of tools that cut metal, wood, paper and plastics.

Simonds' headquarters is in Fitchburg, Massachusetts and it maintains six other manufacturing sites in the United States as well as others outside of this country.

4. Beginning in the last quarter of 1999, Simonds' company-wide management concluded that the Company employed many more people than was the published standard for manufacturing companies of comparable size. Simonds then began analyzing all sectors of the Company, including manufacturing, in an effort to make operations more efficient, increase productivity and reduce costs. The conclusion of the analysis was that many positions needed to be eliminated worldwide, which would result in an annualized cost savings for Simonds of more than \$1.5 million without decreasing productivity and with an increase in efficiency.

5. In addition, from 1999 through 2001 Simonds suffered decreasing sales and rising costs. As a result of the decreasing sales and rising costs, Simonds defaulted on its \$5 million semi-annual interest payment for its \$100 million public bond issue. The Company had to cut costs significantly in order to compensate for lost sales and in order to survive.

6. Accordingly, in January 2000, Simonds began implementing a company-wide reorganization and reduction-in-force ("RIF"). Simonds' reorganization and RIF resulted in the Company stripping down all operating departments, including engineering, to the lowest levels possible while still retaining the most essential functions. As part of this restructuring, the entire salaried manufacturing sector, including the engineering department, was reorganized, and redundant positions were eliminated. The reorganization and RIF continued into the year 2003 and resulted in the elimination of approximately 300 jobs throughout all of Simonds' facilities, both domestically and internationally. Manufacturing facilities in California and the United Kingdom have been closed as a result of this company-wide reorganization.

7. Plaintiff was employed by Simonds from 1983 until January 2000, when he was laid off as part of the above-described reorganization and RIF. However, in February 2000, Simonds re-hired Plaintiff for the position of Project Engineer in the Company's Fitchburg facility. At the time Plaintiff was re-hired (and for the duration of his employment), Simonds compensated Plaintiff at the same rate of pay (and level of benefits) which he had been receiving immediately prior to his

January 2000 layoff. Plaintiff held the position of Project Engineer for the remainder of his employment.

8. In May 2001, as part of the ongoing RIF and reorganization to implement the Simonds Operating System and "Lean Manufacturing" techniques, the Company determined that the function of the Project Engineer position, namely specifically assigned projects relating to the manufacturing process and plant maintenance, could be absorbed by the manufacturing sector as a whole, and that it was necessary to focus more on product-related engineering (such as metallurgy, product development and quality and machine design). Accordingly, on May 31, 2001, the Project Engineer position at the Fitchburg facility was eliminated and Plaintiff was laid off.

9. At the time of his layoff, Plaintiff was the only individual in the Project Engineer position at the Fitchburg facility.

10. Since his layoff, Simonds has neither reinstated the Project Engineer position nor hired anyone to replace Plaintiff.

11. The kinds of duties formerly performed by Plaintiff are no longer performed as specific and integrated engineering projects but, rather, are performed generally by the manufacturing sector.

12. I am informed and believe that none of the particular duties which Plaintiff performed as a Project Engineer required mechanical engineering expertise.

13. At the time of his layoff on May 31, 2001, Plaintiff was presented with, among other things, a release of claims (i.e., "waiver") form that he was required to sign if he chose to receive four months of severance pay and benefits from Simonds. This waiver form is standard operating procedure for Simonds when providing severance benefits to terminated employees. (A true and complete copy of that waiver form is attached hereto as Exhibit 1.)

14. Because Plaintiff signed the waiver document, Simonds paid Plaintiff four months of compensation and continued his employee benefits for that same period of time.

15. In June 2001, approximately one month following Plaintiff's layoff, the former head of the engineering department, Raymond Edson (age 58 at the time; d.o.b. 2/26/43), Director of Manufacturing Engineering, retired from Simonds so that he could engage in the real estate business.

16. Additionally, at about the same time, the Engineering Manager, Steve Niemi (age 31 at the time; d.o.b. 7/29/69), resigned.

17. As a result, in June 2001, Richard Brault (age 48 at the time; d.o.b. 9/2/52), who had been employed by Simonds as a Senior Product Engineer since August 2000, was promoted to the position of Engineering Manager to replace Steve Niemi (age 31 at the time; d.o.b. 7/29/69). Mr. Brault holds a Bachelor of Arts degree in Manufacturing Management and had substantial prior supervisory and management experience prior to coming to Simonds. (A true and complete copy of Mr. Brault's resume is attached hereto as Exhibit 2.)

18. After the layoffs and the Edson and Niemi resignations, the engineering department quickly found itself with inadequate staffing.

19. Simonds assessed the specific needs of a very lean and redirected engineering department, and the Company decided that its primary needs related to product/manufacturing engineering (e.g., metallurgy, product development and quality, and machine design) rather than general project-based engineering.

20. Accordingly, during the summer of 2001, Simonds hired two Product Engineers (a/k/a Manufacturing Engineers) - i.e., Peter Duperry (age 23 at the time; d/o/b 2/23/78) and Salvatore Santoro (approximately age 55 at the time; d/o/b 8/29/46).

21. Not long after Simonds hired Salvatore Santoro in the summer of 2001, he became the Quality Manager in Simonds' Fitchburg facility, which position he still holds. (The Company's previous Quality Manager, William Baker, was 49 years old at the time he was laid off in May 2001.) As Quality Manager, Mr. Santoro's primary duties involve overseeing and improving all of the facility's quality control functions, and he is responsible for ensuring that the Company remains compliant with "ISO 9000" (i.e., international standardization) requirements.

22. Jeremy Dexter (age 25 at the time; d.o.b. 9/23/77), had been an intern at Simonds for several months in 1998 and 1999. Mr. Dexter became a regular, full-time employee almost one year prior to Plaintiff's May 2001 layoff, and he is a Manufacturing Engineer/Process Metallurgist.

23. Messrs. Duperry, Santoro and Dexter all have Bachelor of Science degrees in Mechanical Engineering. (A true and complete copy of the resume of Peter Duperry is attached hereto as Exhibit 3; a true and complete copy of the resume of Salvatore Santoro is attached hereto as Exhibit 4; a true and complete copy of the resume of Jeremy Dexter is attached hereto as Exhibit 5.)

24. Peter Duperry is no longer employed by the Company. Mr. Duperry resigned from Simonds on January 23, 2004.

25. Since Mr. Duperry's resignation, on August 9, 2004 and November 8, 2004, respectively, the Company hired Anthony Maietta (age 22 at the time; d.o.b. 3/28/82) and Joseph Markowicz (age 50 at the time; d.o.b. 6/15/54) as Process Engineers. The position of "Process Engineer" was formerly known as "Product Engineer."

26. As of December 2002, 70 of the 81 non-union employees at Simonds' Fitchburg facility were age 40 and over; 25 employees were in their 40's; 34 employees were in their 50's; and 11 employees were in their 60's. As of that date, only 8 employees were in their 30's and

only 3 employees were in their 20's. (A true and complete listing of the non-union employees at Simonds' Fitchburg facility as of December 2002 is attached hereto as Exhibit 6.)

Signed under the pains and penalties of perjury this 8th day of August, 2005.

Ilda Thibodeau  
Ilda M. Thibodeau

# **EXHIBIT 1**

## Exhibit A – SCP 1211

Date 5/30/01Terms and Conditions of Separation  
*Lou Alberghini*

1. I understand that my employment with Simonds Industries Inc. will be terminated on May 31, 2001
2. I understand that I am eligible to receive up to 4 months weeks separation allowance to begin on June 1, 2001 (date).
3. I understand, in accordance with Standard Corporate Practice 1211 that should I file for unemployment benefits, my separation allowance will permanently cease as of the date of such filing. For this reason, it is my intention to file for unemployment benefits only upon my receipt of all severance allowance provided for in the Agreement.
4. In consideration of the receipt by me of the separation allowance, I hereby release and forever discharge Simonds Industries Inc. and its corporate affiliates and their officers, directors, agents, and employees from any claim of any sort I may presently have or may have had against all of said companies or individuals arising out of my employment or its termination, except those claims already pending on the date hereof, as specifically noted below. (If "none", so state)

## EXCLUSIONS

5. I understand that neither Simonds Industries Inc. nor I am bound to the terms of this understanding, unless and until approved by the President as evidenced by the President's signature.
6. I acknowledge that I have been given a copy of SCP-1211 and the opportunity to discuss the contents with counsel and I understand its provisions.

*Louis Alberghini*  
Employee's Signature

6/4/01  
Date

Witness

*R. W. H.*  
President

6/4/01

# **EXHIBIT 2**

**Richard Brault**

292 Adams Dr.  
Athol MA 01331  
Home phone 978-249-8031

**OBJECTIVE**

To find employment with opportunity for advancement in the Band Saw Industry with a progressive manufacturer that will utilize my experience and skills.

**QUALIFICATIONS**

As an Engineering Manager I have a proven record of managing a diverse engineering staff that troubleshoots problems, handles multiple projects, meets deadlines and keeps spending within budget.

My 23 years of experience in the Band Saw Industry, handling a variety of responsibilities has given me a well rounded knowledge of all aspects of Band Saw manufacturing including Bimetal, Carbon, and Carbide. I have experience in sales, engineering, quality assurance, and customer service.

Knowledgeable in Lean Manufacturing philosophy and Setup Reduction. I have trained and lead successful teams to improve product value stream, eliminate waste, create product flow, reduce inventories and cut costs.

**WORK HISTORY**

2001-Present

*Manager of Manufacturing Engineering, Simonds Industries Inc.*

Responsible for providing the necessary support to the manufacturing group to maintain and improve all manufacturing processes in the Fitchburg plant. Supervise three Manufacturing Engineers and one Quality Engineer. Also work with other Simonds divisions on projects such as implementation of a global quality system, the layout design of a new manufacturing plant, and troubleshooting various problems.

2000-2001

*Sr. Manufacturing Engineer, Simonds Industries Inc.*

Responsible for all aspects of process engineering to insure smooth efficient flow of product through manufacturing. Managed the \$ 400,000 implementation of the new Recip/Jig manufacturing line, including the purchase of capital equipment, plant layout, operator training, outsourcing of the paint, and heat treat operations.

1999-2000

*Manager of Quality Assurance, Kennametal Consumer Prods. Div.*

Responsible for developing a quality system that would lead to ISO 9000 certification.

Responsible for new Metrology Lab with new equipment. In six months created a Quality Manual, quality specifications, work instructions, policies and procedures covering all operations.

1997-1999

*Senior Project Engineer, Greenfield Industries/Kennametal*

Responsible for \$3 million annual budget, all capital purchases, developing justifications, evaluation of equipment options, negotiations of price etc, scheduling and managing installations and implementations. Met with most major bandsaw equipment manufacturers in the U.S. and Europe. Managed \$1.3 million project to rearrange manufacturing facility to achieve improved product flow.

1996-1997

*Facilities Manager, Greenfield Industries*

Responsible for all plant systems, plant maintenance to include supervision of machine shop and 15 hourly maintenance personnel. Purchased and installed 1,000 GPM water cooling system, managed \$210,000 project to purchase and install two 700 CFM air compressors receiving a \$55,000 energy rebate from Western Mass. Electric.

1992-1996 *Manufacturing Engineer, Rule Group /Greenfield Industries*  
 Designed new holesaw welders, heat treat lines, straightening lines, and custom modifications to existing equipment as well as troubleshooting process and equipment problems. Managed \$1.4 million project to purchase E.B. Welder, Annealing Furnace, Rolling Mill, and new bimetal Heat Treat line. Responsible for developing new Duplex tooth form and cutter design.

1989-1992 *Saw Service/Sales Technician, L.S. Starrett Co.*  
 Traveled throughout the Northeast servicing customer's machines, conducting blades tests, troubleshooting customer problems and selling bandsaw blades. Also conducted product and applications training for distributor salespeople.

1984-1989 *Sales, The Kontro Co. Inc.*  
 Held several positions in sales, manufacturing and production of the Kontro Sanitary Pump.

1981-1984 *Manufacturing Engineer, The L. S. Starrett Co.*  
 Primarily responsible for machine design and modifications to bandsaw manufacturing equipment.

1973-1981 *Toolmaker, L. S. Starrett Co.*  
 Completed 4 year apprentice program graduating in 1977. Spent from 1977 to 1981 working in the toolroom building custom designed equipment.

#### **EDUCATION**

1996-2000 B. A. in Manufacturing Management, UWW, University of Massachusetts

1970-1972 Associate of Science, Mount Wachusett Community College  
*Fluid Power II and III, Parker Hannifin Div.*  
*Managing for Continuous Improvement, Institute of Management Development*  
*Statistical Process Control, Institute of Management Development*  
*Techniques for an Empowered Workforce, Development Dimensions International*

#### **SKILLS**

Autocad 2000, Microsoft Word, Excel, Access, Powerpoint, Project

**REFERENCES: Provided on request**

# **EXHIBIT 3**

# Peter Duperry

Address: 560 North Main Street, Apartment 205D, Leominster MA 01453 Phone: (978) 534-1399  
 Cellular: (978)857-8066 Email: peteradup@hotmail.com

## WORK EXPERIENCE

**Simonds Industries Inc.** Fitchburg, Massachusetts  
*Manufacturing Engineer.* July 2001 – Present

- Product line engineer for carbide tipped band products and steel rule. Responsible for product quality, process and product improvements, R&D, and process organization.
- CNC programming of ground form products.
- Wire EDM programming.
- Compose work instructions.

**Crystar Diffusion Components.** Worcester, Massachusetts  
*Mechanical Engineering Internship.* June 2000 - April 2001

Contact: Anthony Còrridori, Engineering Manager, (508) 795-5334

- Designed a machine to grind product previously being sanded with hand held sander. The grinder provided a better quality product, with improved consistency and reduced production time.
- Designed new components.
- Revised old component drawings.

**Major Qualifying Project(MQP)** - The Gillette Company. Boston, Massachusetts  
*Analysis of a Cam Driven Linkage.* 9/2000-5/2001

Dynamically modeled an existing cam-driven linkage used by The Gillette Company, including the thermodynamic modeling of an air cylinder to determine its spring rate when used as a closure spring. Produced a set of guidelines for future analysis of similar systems. A paper, written by my project partner and I, will soon be published in the journal for American Society of Mechanical Engineers.

**Interactive Qualifying Project(IQP)**. Worcester, Massachusetts.  
*Solid Modeling Programs and Their Effect on Businesses.* 9/1999-5/2000

Conducted a study of small to medium sized companies that use solid-modeling CAD systems in order to determine the effect that solid modeling systems have on such companies.

## EDUCATION

**Worcester Polytechnic Institute**  
 Worcester, Massachusetts

**Bachelors of Science in Mechanical Engineering,** May 2001  
 Concentration in Mechanical Design

## SKILLS

Microsoft Office 2000 (Word, Excel, PowerPoint), Windows 2000, Pro Engineer, SolidWorks, AutoCAD 2000, BobCAD CNC programming, MathCAD, MS Visual Basic 6.0 and LabView.